

ASSEMBLY BILL

No. 1380

**Introduced by Assembly Member Gordon
(Coauthors: Assembly Members Jerome Horton, Karnette,
Koretz, Montanez, Oropeza, Pavley, and Umberg)**

February 22, 2005

An act to add Section 7945 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1380, as introduced, Gordon. Telecommunications: new area codes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law places notice and other requirements upon telephone corporations whenever the telephone corporation proposes to establish a new area code. Existing law requires the commission to first implement all reasonable telephone number conservation measures before approving an area code split.

This bill would place specified requirements upon telephone corporations in determining the inventory of numbering resources applicable to telephone corporations that hold dialing codes or thousand-number blocks within rate centers in California and require them to donate excess blocks of numbers to the North American Numbering Plan Administrator within 30 days of the filing of their next scheduled biannual Numbering Resource Utilization/Forest Report. The commission would be required to adopt rules and orders consistent with these requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Although the Federal Communications Commission (FCC)
4 has established requirements limiting telecommunications
5 carriers to a six-month supply of inventory for numbering
6 resources, the FCC has not established any clear and objective
7 method to assure that carriers' actual inventory is, in fact, limited
8 to six-month needs.

9 (b) Based on actual number utilization experienced by
10 telephone corporations, it is appropriate to establish rules
11 defining six-month inventory needs, forecast methodology, and
12 timing of donations and returns.

13 (c) Historical experience shows that telephone corporations
14 have repeatedly taken numbers from the pool for stocking their
15 inventories in excess of their actual needs.

16 (d) Telephone corporations' stockpiles of surplus numbers are
17 not available to other telephone corporations that may need
18 numbers to serve their own customers.

19 (e) Telephone corporations' mismanagement of numbers may
20 create a perception that an area code is about to exhaust its
21 supply of numbers when, in reality, available numbers are merely
22 being allocated inefficiently.

23 (f) Area code splits are costly to governments, consumers, and
24 businesses in the old area code when they are forced to incur
25 costs associated with updating their phone numbers.

26 (g) Area code splits represent a particular burden to seniors
27 and the disabled community who can face significant challenges
28 associated with an area code number change.

29 (h) With the implementation of the inventory rules in this act,
30 telephone corporations will still retain the flexibility to increase
31 their inventory to accommodate demand growth of up to 15
32 percent.

33 (i) New telephone corporations will not be adversely impacted
34 by this act, but can obtain thousand-blocks used for "footprint"
35 purposes on the same basis as they already do.

36 (j) Under this act, telephone corporations with a legitimate
37 need for additional telephone numbers will retain flexibility to

1 utilize existing procedures for obtaining telephone numbers as
2 they have in the past.

3 (k) A 15 percent growth cap provides reasonable discipline in
4 limiting a supplier's inventory of telephone numbers, while
5 preserving flexibility to accommodate customer demand.

6 (l) The methodology for determining short-term inventory
7 levels adopted by this act is straightforward and involves few
8 mathematical operations that can be readily incorporated into a
9 database from Numbering Resource Utilization/Forecast Reports
10 data.

11 (m) The establishment of objective guidelines for determining
12 six-month inventory supplies will decrease the volume of
13 stranded telephone numbers, increase available telephone
14 numbers for those carriers truly in need of them, and prevent new
15 area codes from being prematurely opened.

16 (n) This act is warranted in order to promote the more efficient
17 utilization of telephone numbers. Efficient utilization of
18 telephone numbers will, in turn, help extend the life of area codes
19 and avoid the risk of prematurely opening a new area code to
20 relieve code exhaustion.

21 SEC. 2. Section 7945 is added to the Public Utilities Code, to
22 read:

23 7945. (a) This section shall be known and may be cited as the
24 Area Code Conservation and Consumer Protection Act of 2006.

25 (b) For purposes of this section, "NRUF" means Numbering
26 Resource Utilization/Forecast Reports filed with the North
27 American Numbering Plan Administrator.

28 (c) A telephone corporation, in determining its six-month
29 inventory levels for each applicable rate center and area code in
30 California, within which the telephone corporation holds
31 numbering resources, shall comply with the requirements of this
32 section.

33 (d) Code or block holders that have acquired and retained
34 public numbering resources and have filed at least three NRUF
35 Reports with the North American Numbering Plan Administrator
36 shall apply the guidelines in this subdivision in determining the
37 level of numbering resources that they may retain as a six-month
38 inventory. A separate calculation shall be made for each rate
39 center within each area code within which the telephone

1 corporation holds an inventory of telephone numbers, that does
2 all of the following:

3 (1) Calculate the change in the historical demand for telephone
4 numbers, which represents the code or block holder's actual
5 growth. Code or block holders shall use the most recently filed
6 NRUF Report (NRUF at time 2) and the NRUF Report filed 12
7 months before the most recently filed NRUF Report (NRUF at
8 time 1). The change in the historical demand for telephone
9 numbers consists of those telephone numbers categorized as
10 Assigned or Intermediate in the NRUF Reports. The formula for
11 calculating the change in the historical demand for telephone
12 numbers shall be $((\text{Assigned numbers} + \text{Intermediate numbers as of NRUF at time 2}) - (\text{Assigned numbers} + \text{Intermediate numbers as of NRUF at time 1}))/2$.

15 (2) Determine the appropriate growth rate, whereby the
16 maximum growth rate is 15 percent, to use to calculate the
17 projected growth in telephone numbers for the next six months.

18 (3) Compute the projected growth in telephone numbers. The
19 formula shall be the product of the change in the historical
20 demand for telephone numbers and the appropriate growth rate.

21 (4) Find out the excess inventory of telephone numbers. The
22 formula shall be the difference of the available numbers reported
23 in NRUF at time 2 and the projected growth in telephone
24 numbers.

25 (5) Figure out the short-term inventory level. The formula
26 shall be the difference between the total numbering resources and
27 the excess inventory of telephone numbers.

28 (d) Code or block holders that have acquired and retained
29 public numbering resources and have filed no more than one or
30 two NRUF Reports with the North American Numbering Plan
31 Administrator, shall apply a modified version of the guidelines
32 set forth in subdivision (d) that recognizes that code or block
33 holders with two or fewer NRUF Reports will not have sufficient
34 historical data to compute 12 months of utilization data changes.
35 Telephone corporations in this category shall utilize data from
36 their most recently filed NRUF report as the basis for prospective
37 inventory calculations that does all the following:

38 (1) Calculate the change in the historical demand for telephone
39 numbers, which represents the code or block holder's actual
40 growth. Code or block holders shall use the most recently filed

NRUF Report (NRUF at time 2). The change in the historical demand for telephone numbers consists of those telephone numbers categorized as Assigned or Intermediate in the NRUF Reports. The formula for calculating the change in the historical demand for telephone numbers shall be (Assigned numbers + Intermediate numbers as of NRUF at time 2).

(2) Determine the appropriate growth rate, whereby the maximum growth rate is 15 percent, to use to calculate the projected growth in telephone numbers for the next six months.

(3) Compute the projected growth in telephone numbers. The formula shall be the product of the change in the historical demand for telephone numbers and the appropriate growth rate.

(4) Derive the excess inventory of telephone numbers. The derivation shall be the difference of the Available numbers reported in NRUF at time 2 and the projected growth in telephone numbers.

(5) Figure out the short-term inventory level. The formula shall be the difference of the total numbering resources and the excess inventory of telephone numbers.

(e) The commission shall require telephone corporations to begin implementing this section with the filing of the next scheduled biannual NRUF report. Telephone corporations shall donate blocks regardless of the source of the numbering resources. This section applies to all NXX code or thousand-block holders, which have acquired and retained public numbering resources. Telephone corporations shall calculate their six-month inventory level utilizing data in the NRUF Report due on the next scheduled biannual NRUF report and donate any excess inventory blocks to the North American Numbering Plan Administrator based on application of this section. Any surplus blocks identified through the six-month inventory calculations shall be donated to the pool no later than 30 calendar days after their filing of the next scheduled biannual NRUF report. Every six months thereafter, telephone corporations will be required to perform an updated calculation of permissible inventory levels, and to make any resulting donations to the pool of excess inventory blocks as defined by the adopted rules.

(f) The commission may adopt rules and orders consistent with the requirements of his section.

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